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August 8, 2000

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Salas  
Secretary  
Federal Communications Commission  
Room TW-A325, The Portals  
445 Twelfth Street, S. W.  
Washington, DC 20554

RE: In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor, To SBC Communications, Inc., Transferee, (CC Docket No. 98-141)

Dear Ms. Salas:

Pursuant to Paragraph 40 of the SBC/Ameritech Merger Conditions, SBC submits herein the attestation reports of its independent auditor, Ernst & Young LLP, regarding SBC/Ameritech's compliance with the Commission's collocation requirements for the first 240 days after the Merger Closing Date.

Once SBC has had an opportunity to thoroughly conduct a review of these reports and the auditor's work papers, SBC will be prepared to respond to or otherwise address any issues contained in them.

Sincerely,

A handwritten signature in cursive script that reads "Marian Dyer". The signature is written in dark ink and is positioned below the word "Sincerely,".

Attachments

cc: Ms. Carol Matthey  
Mr. Anthony Dale  
Mr. Hugh Boyle  
Mr. Mark Stephens

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## Report of Independent Accountants

To the Management of SBC Communications Inc.

We have examined management's assertion, included in the accompanying "Report of Management on Compliance With the FCC's Collocation Rules," that SBC Communications Inc. (the "Company") complied with the Federal Communications Commission's ("FCC's") collocation requirements as defined in the FCC's First Report and Order and Further Notice of Proposed Rulemaking ("Collocation and Advanced Services Order"), FCC 99-48, released March 31, 1999, and captioned *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147 and Title 47 Parts 51.319(a)(2)(iv), 51.321, and 51.323 of the Code of Federal Regulations ("FCC's Collocation Rules") and the collocation transition mechanisms contained in subparagraphs I(3)(c)(3), I(3)(d), I(3)(e), I(4), I(4)(a)(3), I(4)(n)(4), I(6), and I(6)(g), in Appendix C ("the Merger Conditions") of the FCC's Order approving the SBC/Ameritech Merger<sup>1</sup> during the period October 8, 1999 through June 8, 2000. Management is responsible for the Company's compliance with the FCC's Collocation Rules. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the FCC's Collocation Rules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the FCC's Collocation Rules.

In our opinion, management's assertion that the Company complied with the FCC's Collocation Rules (considering the transition mechanisms of the Merger Conditions and the Company's understanding of the evidentiary obligations to state commissions and requirements to post notice of exhausted collocation space as described below) during the

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<sup>1</sup> *Applications of Ameritech Corp. and SBC Communications Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules*, CC Docket No. 98-141, Memorandum Opinion and Order, 14 FCC Rcd 4761 (1999).

period October 8, 1999 through June 8, 2000 is fairly stated, in all material respects, except for certain instances of noncompliance regarding the requirement for timely reporting of exhausted physical collocation space as described in the paragraph below.

As discussed in assertion 7(a) of management's assertion, the Company was required to post on the Internet those premises where physical collocation space has been exhausted within 10 days of such determination. In certain instances, such postings were made after the 10-day period.

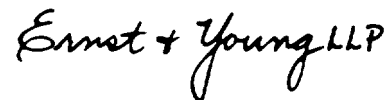
As discussed in management's assertion, the Company's compliance with the FCC's Collocation Rules considers the Company's understanding of the Merger Conditions which address collocation in the context of a six-month transition period in which advanced services were being transitioned from the Company's incumbent local exchange carriers to the Company's advanced services affiliate. We have reviewed the Company's letter dated February 15, 2000 (letter from Mr. Michael Kellogg on behalf of the Company to Ms. Carol Matthey of the FCC). This letter clarifies the Company's position related to the transition mechanisms set forth in Paragraph 4 of Section I of the Merger Conditions, in that collocation applications for one of the Company's advanced services affiliates were not required to be filed in the first 180 days following the merger close date (October 8, 1999). Based on this understanding, the fact that collocation applications were not filed for one of the Company's advanced services affiliates for a portion of the period October 8, 1999 through June 8, 2000 was not deemed to be noncompliance with the nondiscriminatory provisions of the FCC's Collocation Rules.

Additionally, it is the Company's understanding that, under Title 47 Parts 51.321(d) and (e) and 51.323(b) of the Code of Federal Regulations, the Company satisfies its evidentiary obligations to the relevant state commissions by proving that denials of collocation requests were appropriate only when a requesting telecommunications carrier disputes before that state commission the Company's determination that the collocation request was not technically feasible or the equipment being collocated was not used by the telecommunications carrier for the purpose of obtaining interconnection or access to unbundled network elements. Further, it is the Company's understanding that, under Title 47 Part 51.321(h), the Company's policy of posting a notice of exhaustion after the Company becomes aware in the course of business that collocation space is exhausted complies with the FCC's Collocation Rules. Based on this understanding, the Company was not deemed to be in noncompliance with these related rules.

Management of SBC Communications Inc.

Page 3

This report is intended solely for the information and use of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Ernst + Young LLP". The signature is written in a cursive, flowing style.

August 7, 2000



## **Report of Management on Compliance With the FCC's Collocation Rules**

Management of SBC Communications Inc. (SBC) is responsible for ensuring the Company's<sup>1</sup> compliance with the Federal Communications Commission's (FCC's) collocation requirements as defined in the FCC's First Report and Order and Further Notice of Proposed Rulemaking (Collocation and Advanced Services Order), FCC 99-48, released March 31, 1999, and captioned, *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147 and Title 47 Parts 51.319(a)(2)(iv), 51.321, and 51.323 of the Code of Federal Regulations (FCC's Collocation Rules) and the collocation transition mechanisms contained in subparagraphs I(3)(c)(3), I(3)(d), I(3)(e), I(4), I(4)(a)(3), I(4)(n)(4), I(6), and I(6)(g), in Appendix C (the Merger Conditions) of the FCC's Order approving the SBC/Ameritech Merger.<sup>2</sup> Management is also responsible for establishing and maintaining effective internal control over compliance with the FCC's Collocation Rules, as supplemented by the Merger Conditions.

Paragraph 4 of the Merger Conditions issued on October 8, 1999 (Merger Close Date) also addresses collocation in the context of the six-month transition period in which advanced services were being transitioned from the Companies to the SBC Advanced Services affiliate(s) as defined in Condition I of Appendix C. SBC further set forth its position on collocation activities during the six-month transition window in a February 15, 2000 letter from Mr. Michael Kellogg to Ms. Carol Matthey, Deputy Bureau Chief of the Common Carrier Bureau. This letter explains that the Commission did not intend to disrupt the ongoing advanced services offering of SBC while transitioning these services from the SBC ILECs to a separate affiliate, and consequently, as described in assertions 1) and 19) below, the SBC incumbent LECs could provide certain functions for the separate advanced services affiliates on an exclusive basis during the six-month transition period. These functions included arranging for collocation space.

Management has performed an evaluation of the Companies' compliance with the requirements of the FCC's Collocation Rules, including those described below, as of June 8, 2000 and for the period October 8, 1999 through June 8, 2000 (the Evaluation Period). Based on this evaluation, we assert that during the Evaluation Period, the Companies complied with

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<sup>1</sup> The word "Company" or "Companies" used throughout this assertion refers to SBC telephone operating companies, operating as Incumbent Local Exchange Carriers (ILECs), collectively, as follows: Illinois Bell Telephone Company; Indiana Bell Telephone Company, Incorporated; Michigan Bell Telephone Company; The Ohio Bell Telephone Company; Wisconsin Bell, Inc.; Nevada Bell Telephone Company; Pacific Bell Telephone Company; The Southern New England Telephone Company; and Southwestern Bell Telephone Company.

<sup>2</sup> *Applications of Ameritech Corp. and SBC Communications Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules*, CC Docket No. 98-141, Memorandum Opinion and Order, 14 FCC Rcd 4761 (1999).

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

all requirements of the FCC's Collocation Rules as summarized below considering the interpretations noted in assertions 3), 7)(b), and 10) and the collocation transition mechanisms permitted by the Merger Conditions in assertions 1) and 19), except as disclosed in assertion 7)(a):

- 1) **Provision of Collocation on Just, Reasonable and Nondiscriminatory Terms** - The Company provided, on terms and conditions that are just, reasonable, and nondiscriminatory, any technically feasible method of obtaining interconnection or access to Unbundled Network Elements (UNEs) at a particular point upon a request by a telecommunications carrier, with the exception of interconnection or access to UNEs by SBC's Advanced Services affiliate, Advanced Solutions Inc. (ASI), that were established as part of collocation space requests (arrangements) planned in writing prior to February 29, 2000. Such arrangements (i.e., those planned in writing before February 29, 2000), if completed on or before April 5, 2000, were permissibly completed using exclusive procedures. The Companies completed such arrangements after April 5, 2000 without the necessity of a collocation application only so long as the completion occurred (i) within a reasonable period of time and (ii) in accordance with methods and procedures applicable to unaffiliated carriers to the extent practicable. For new collocation arrangements on or after February 29, 2000, ASI followed the same collocation application procedures, including collocation installation intervals, required of unaffiliated carriers.
- 2) **Previously Successful Methods of Obtaining Interconnection** - The Company did not deny any requests for interconnection or access to UNEs where the requesting carrier alleged that either the Company or another local exchange carrier had successfully deployed the arrangement, but if such representations had been made, the Company would have accepted such representation as a rebuttable presumption that the arrangement was technically feasible, subject to validation that the arrangement was technically feasible at the point in the Company network where it was requested.
- 3) **Collocation Denials on the Basis of Space or Technical Reasons** - In cases where physical collocation of equipment necessary for interconnection or access to unbundled network elements was not practical because of space limitations, the Company provided virtual collocation, except at points where virtual collocation was not technically feasible. If virtual collocation was also not technically feasible, the Company provided for other methods of interconnection and access to unbundled network elements to the extent technically feasible. Where it is necessary to deny physical collocation where it is not practical for technical reasons or because of space limitations, the Company offers (through letters to the industry explaining the collocation procedures and via other methods) virtual or such other methods of collocation that are practical and feasible.

For collocation denials on the basis of space limitations, the Company demonstrated to the state commissions that collocation was not practical by submitting (subject to protective order) the detailed floor plans or diagrams of all premises where the Company

## Report of Management on Compliance With the FCC's Collocation Rules

August 7, 2000

claimed that physical collocation was not practical because of space limitations or, where state commissions requested that such materials not be sent automatically, retained such materials to be available for any subsequent commission requests.

There were only two denials on the basis of technical reasons during the Evaluation Period, one of which related to a collocation arrangement requested by the Company's Advanced Services affiliate. Neither of these denials was contested. For collocation denials on the basis of technical reasons, the Company stands ready to prove that any type of collocation denied was not practical for technical reasons at the location in the network where it was requested for the reason stated in the denial, if the requesting carrier contests that determination after receiving the Company response. If the requesting carrier does not move forward to file for arbitration or mediation of the issue with a state commission, the Company assumes that the issue is resolved.

- 4) **Touring of Full Premises** - In cases where space for physical collocation was not available, the Company allowed requesting carriers to tour the entire premises in question, not just the area in which space was denied, without charge, within ten days of the requesting carrier's receipt of the denial of space.
- 5) **Interstate Tariff** - The Company provided expanded interconnection service pursuant to interstate tariff.
- 6) **Availability of Collocation Space** - Upon request, the Company submitted to requesting carriers, within ten days of the submission of the request, a report indicating available collocation space at a particular Company premises. Such report specified the amount of collocation space available at each requested premises, the number of collocators, any modifications in the use of the space since the last report, and also included measures that the Company is taking to make additional space available for collocation.
- 7) **Internet Posting of Full Premises** – (a) The Company maintained a publicly available document, posted for viewing on the Company's publicly available Internet site, indicating locations or premises determined to be full. In most instances, that document was updated within ten days of the date at which a determination was made that physical collocation space was exhausted, but in certain instances the posting was made after the ten-day period expired.  
  
(b) There is no language in the rules specifically requiring the Company to survey all of its central office and remote locations to determine those locations where there is not space available in advance of a request for collocation or a request for a space available report at a particular premises. Such an extensive survey would be extremely burdensome, expensive, and impractical to keep updated in a manner to make it useful to requesting carriers. Thus, the Company's practice is to post on the Internet the premises that are full within ten days from the date that such determination is made, which could be the result of a request for collocation, a request for a space available report, or as a

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

result of an equipment addition by the Company to accommodate growth in the central office to satisfy demand from other telecommunications carriers or the Company's own end user customers.

- 8) **Removal of Obsolete Unused Equipment** - The Company was prepared to remove, upon reasonable request by a telecommunications carrier or upon the order of a state commission, obsolete unused equipment from its premises to increase the amount of space available for collocation. There were no requests received during the Evaluation Period.
- 9) **Interconnection of Equipment** - The Company permitted the collocation of any type of equipment used or useful for interconnection or access to UNEs.
- 10) **Collocation Denials of Equipment on the Basis that the Requested Collocation of Equipment is not within the Scope of Section 251(c)(6)** - The Company has not objected to collocation of equipment by a requesting telecommunications carrier for the purposes within the scope of Section 251(c)(6) of the Telecommunications Act of 1996. The Company did object to the placement of a fiber termination panel on the basis that it was not within the scope of Section 251(c)(6) and to the placement of a stand-alone switch, which is specifically excluded from collocation requirements per Part 51.323(c) of Title 47 of the Code of Federal Regulations. Neither of these telecommunications carriers contested the Company's determinations during the Evaluation Period. If the requesting carrier does not move forward to file for arbitration or mediation of a denial of collocation because the collocation of equipment requested is not within the scope of Section 251(c)(6), the Company assumes that the issue is resolved. Therefore, during the Evaluation Period, the Company did not have the opportunity to prove to a state commission that its position was correct in either of the situations cited above.

Subsequent to the end of the Evaluation Period, the carrier requesting placement of the stand-alone switch has raised this issue with a state commission contesting the exclusion of the switch under the terms of Part 51.323(c) of Title 47 of the Code of Federal Regulations. This matter is currently pending before the state commission.
- 11) **Collocation Denials of Equipment on the Basis of Discriminatory Safety or Engineering Standards** - The Company did not object to the collocation of equipment on the grounds that the equipment did not comply with safety or engineering standards that are more stringent than the safety or engineering standards that the Company applied to its own equipment.
- 12) **Collocation Denials of Equipment on the Basis of Performance Standards** - The Company did not object to the collocation of equipment on the grounds that the equipment failed to comply with National Equipment and Building Specifications Performance Standards.



## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

- 13) **Collocation Denials of Equipment on the Basis of Safety Standards** - The Company did not deny collocation of a telecommunications carrier's equipment on the grounds that the equipment did not comply with safety standards.
- 14) **Use of Features** - The Company did not place any limitations on the ability of requesting carriers to use all the features, functions, and capabilities of equipment collocated, including, but not limited to, switching and routing features and functions and enhanced services functionalities, provided that the purpose of such equipment was not solely for the purpose of switching or providing enhanced services.
- 15) **Fiber Interconnection Points** - The Company provided interconnection point or points, physically accessible by both the Company and requesting carriers, at which the fiber optic cable carrying an interconnector's circuits could enter the Company's premises, and the Company designated interconnection points as close as reasonably possible to the Company's premises.
- 16) **Two Fiber Entry Points** - The Company provided at least two interconnection points at which the fiber optic cable carrying an interconnector's circuits could enter the Company's premises at each Company premises at which there were at least two entry points for the Company's cable facilities, and at which there was space available for new facilities in at least two of those entry points.
- 17) **Copper or Coaxial Cable Interconnection** - The Company provided for interconnection of copper or coaxial cable, if such interconnection was first approved by the state commission.
- 18) **Microwave Transmission Facilities** - The Company permitted physical collocation of microwave transmission facilities.
- 19) **Provision of Virtual Collocation on Just, Reasonable and Nondiscriminatory Terms** - When virtual collocation was provided, the Company provided for the installation (normally, the collocater installed its own equipment), maintenance, and repair of the collocated equipment which, at a minimum, resulted in any installation, maintenance, and repair being performed within the same time periods and with failure rates that are no greater than those that apply to the performance of similar functions for comparable equipment of the Company itself or its Advanced Services affiliates. Virtual collocation installation arrangements for ASI planned in writing prior to February 29, 2000 occurred under exclusive internal procedures. Such arrangements (i.e., those planned in writing before February 29, 2000), if completed on or before April 5, 2000 were permissibly completed using exclusive procedures. The Companies completed such arrangements after April 5, 2000 without the necessity of a collocation application only so long as the completion occurred (i) within a reasonable period of time and (ii) in accordance with methods and procedures applicable to unaffiliated carriers to the extent practicable. For new collocation arrangements on or after February 29, 2000, ASI

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

followed the same collocation application procedures, including collocation installation intervals, required of unaffiliated carriers.

- 20) **Allocation of Collocation Space** - The Company made space available to requesting telecommunications carriers, within or on its premises, on a first-come, first-served basis, provided, however, that the Company was not required to lease or construct additional space to provide for physical collocation when existing space was exhausted.
- 21) **Contiguous Space** - The Company, to the extent possible, made contiguous space available to requesting telecommunications carriers that sought to expand their existing collocation space.
- 22) **Renovations or New Construction** - When renovations of existing facilities were planned or when new facilities were constructed or leased, the Company took into account reasonably projected demand for collocation of equipment.
- 23) **Reservation of Floor Space** - The Company retained a limited amount of floor space for its own specific future uses, but did not reserve space for future use for itself or for its affiliates on terms more favorable than those that apply to other telecommunications carriers seeking to reserve collocation space for their own future use.
- 24) **Relinquishing Space For Virtual Collocation** - The Company relinquished space held for future use before denying a request for virtual collocation on the grounds of space limitations, unless the Company proved to the state commission that virtual collocation at that point was not technically feasible.
- 25) **Warehousing of Collocation Space** - During the Evaluation Period, the Company did not enforce its existing restrictions on the warehousing of unused space by collocating telecommunications carriers. Subsequent to the Evaluation Period, the Company notified telecommunications carriers that the Company would enforce, where necessary, its tariff and/or agreement requirements for interconnection or access to UNEs from a collocation space within a reasonable number of days of the space being turned over to the collocator. This change was implemented to make previously assigned and unused space available to new collocation applicants. The Company does not set maximum space limitations applicable to such carriers.
- 26) **Transmission Facilities** - The Company permitted collocating telecommunications carriers to collocate equipment and connect such equipment to unbundled network transmission elements obtained from the Company, and did not require such telecommunications carriers to bring their own transmission facilities to the Company's premises in which they seek to collocate equipment.
- 27) **Connections Between Telecommunications Carriers** - The Company permitted collocating telecommunications carriers to interconnect their networks with that of other

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

collocating telecommunications carriers at the Company's premises and to connect their collocated equipment to the collocated equipment of other telecommunications carriers within the same premises, provided that the collocated equipment was also used for interconnection with the Company or for access to the Company's UNEs.

- 28) **Providing Connections Between Telecommunications Carriers** - The Company provided, at the request of a collocating telecommunications carrier, the connection between the equipment in the collocated spaces of two or more telecommunications carriers.
- 29) **Construction of Connections Between Telecommunications Carriers** - The Company permitted collocating telecommunications carriers to construct their own connection between the carrier's equipment and that of one or more collocating carriers. The Company permitted the requesting carrier to construct such facilities using copper or optical fiber equipment.
- 30) **Placement of Transmission Facilities** - The Company permitted collocating telecommunications carriers to place their own connecting transmission facilities within the Company's premises outside of the actual physical collocation space, subject only to reasonable safety limitations.
- 31) **Security Arrangements** - The Company required reasonable security arrangements to protect its equipment and ensure network reliability but only imposed security arrangements that were as stringent as the security arrangements that the Company maintained at its own premises for its own employees or authorized contractors. The Company did not impose discriminatory security requirements that result in increased collocation costs without the associated benefit of providing necessary protection of the Company's equipment.
- 32) **Access To Collocated Equipment** - The Company allowed collocating parties to access their collocated equipment 24 hours a day, seven days a week, without requiring either a security escort of any kind or delaying a telecommunications carrier's employees' entry into the Company's premises.
- 33) **Security Training** - The Company required telecommunications carriers' employees and employees of the Company's affiliates to undergo the same level of security training or its equivalent that the Company's own employees or third-party contractors providing similar functions were required to undergo; however, the Company did not require telecommunications carriers' employees or the employees of the Company's affiliates to receive such training from the Company itself and provided information to the telecommunications carriers on the specific type of training required so the telecommunications carriers' employees could conduct their own training.

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

- 34) **Approval of Subcontractors** - The Company permitted collocating telecommunications carriers to subcontract the construction of physical collocation arrangements with contractors approved by the Company. The Company did not unreasonably withhold approval of any contractors, and approval by the Company has been based on the same process and criteria used in approving contractors for its own purposes.
- 35) **Offering of Shared Cage Collocation** - The Company offered shared cage collocation arrangements as part of its physical collocation offering.
- 36) **Site Preparation for Shared Cage Collocation** - The Company did not receive requests for shared cage collocation arrangements. In making shared cage arrangements available, the Company's policy was not and is not to increase the cost of site preparation or nonrecurring charges above the cost for provisioning such a cage of similar dimensions and material to a single collocating party.
- 37) **Allocation of Site Preparation Costs for Shared Cage Collocation** - The Company did not receive requests for shared cage collocation arrangements. It is the Company's policy to prorate the charge for site conditioning and preparation undertaken to construct the shared collocation cage or condition the space for collocation use, regardless of how many carriers actually collocate in that cage, by determining the total charge for site preparation and allocating that charge to a collocating carrier based on the percentage of the total space utilized by that carrier.
- 38) **Shared Collocation in Single-Bay Increments** - The Company did not receive requests for shared cage collocation arrangements. It is the Company's policy to consider requests for shared collocation space in single-bay increments or their equivalent so that, if technically feasible, a telecommunications carrier could purchase space in increments small enough to collocate a single rack, or bay, of equipment.
- 39) **Cageless Collocation** - The Company offered cageless collocation as part of its physical collocation offering. The Company allowed telecommunications carriers to collocate in any unused space in the Company's premises, without requiring the construction of a cage or similar structure, and without requiring the creation of a separate entrance to the telecommunications carriers' collocation space.
- 40) **Access To Facilities and Equipment** - The Company did not require construction of a new entrance for telecommunications carriers' use, and once inside the building, permitted collocating carriers to have direct access to their equipment.
- 41) **Direct Connections** - The Company did not require telecommunications carriers to use an intermediate interconnection arrangement (i.e., a point of termination frame) in lieu of direct connection to its network if technically feasible.

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

- 42) **Assignment of Collocation Space** - The Company gave telecommunications carriers the option of collocating equipment in any unused space within the Company's premises. When more than one space was available, the Company determined which active space would be used first for collocation. The Company did not limit telecommunications carriers to the use of separate rooms, floors, or isolated space separate from the Company's equipment for the purpose of increasing the cost of collocation or decreasing the amount of available collocation space.
- 43) **Cageless Collocation in Single-Bay Increments** - The Company made cageless collocation space available in single-bay increments so that telecommunications carriers could purchase space in increments small enough to collocate a single rack, or bay, of equipment.
- 44) **Offering of Adjacent Space Collocation** - The Company offered adjacent space collocation as part of its physical collocation offering. The Company made available, where space was legitimately exhausted in a particular Company premises, collocation in adjacent controlled environmental vaults or similar structures to the extent technically feasible.
- 45) **Construction of Adjacent Space Collocation** - The Company did not receive requests for adjacent space collocation. The Company's policy is to provide the option for telecommunications carriers to construct or otherwise procure such an adjacent structure, subject only to reasonable safety and maintenance requirements.
- 46) **Provision of Adjacent Space Collocation on Just, Reasonable and Nondiscriminatory Terms** - The Company did not receive requests for adjacent space collocation. The Company's policy is to provide power and physical collocation services and facilities, subject to the same nondiscrimination requirements as applicable to any other physical collocation arrangement.
- 47) **Placement of Equipment in Adjacent Space** - The Company did not receive requests for adjacent space collocation. The Company's policy is to permit the requesting carrier to place its own equipment, including, but not limited to, copper cables, coaxial cables, fiber cables, and telecommunications equipment, in adjacent facilities constructed by either the Company or by the requesting carrier itself.
- 48) **Restrictions on Shared Collocation Cages** - The Company did not place unreasonable restrictions on a telecommunications carriers' use of shared collocation cages.
- 49) **Ordering UNEs in Shared Collocation Cages** - The Company did not receive requests for shared cage collocation arrangements. The Company's policy is that if two or more telecommunications carriers who have interconnection agreements with the Company utilize a shared collocation arrangement, that the Company would permit each telecommunications carrier to order UNEs and to provision service from that shared

## **Report of Management on Compliance With the FCC's Collocation Rules**

August 7, 2000

collocation space, regardless of which of the telecommunications carriers was the original collocator.


- 50) **Access To Basic Facilities** - The Company provided telecommunications carriers reasonable access to basic facilities such as restroom facilities and parking at the Company's premises.
- 51) **Allocation of Collocation Charges** - The Company allocated space preparation, security measures, and other collocation charges on a prorated basis so that the first collocator, in a particular Company premises, was not responsible for the entire cost of site preparation.
- 52) **Restrictions on the Processing of Collocation Applications** - The Company did not impose unreasonable restrictions on the time period within which it would consider applications for collocation space. Specifically, the Company did not refuse to process an application for collocation space submitted by a telecommunications carrier or submitted by the Company's affiliate(s) while that telecommunications carrier's state certification was pending, or before the telecommunications carrier and the Company had entered into a final interconnection agreement.
- 53) **Application Acceptance or Denial Intervals** - Although the FCC did not adopt specific provisioning intervals in its Collocation and Advanced Services Order, the Company's policy is to inform a telecommunications carrier of acceptance or denial of its application for collocation space in a timely and pro-competitive manner. This policy is evident by the fact that the Company improved its performance during the Evaluation Period. Thus, although the Company informed telecommunications carriers whether their application for collocation space was accepted or denied within an average of 20 calendar days from the receipt of the application during the Evaluation Period as a whole, from February 1, 2000 through the end of the Evaluation Period, the Company provided this information to telecommunications carriers within an average of 9 calendar days from the receipt of the application.
- 54) **Access to the Subloop** - The Company offered access to the subloop in accordance with the FCC's Collocation Rules pursuant to Parts 51.321 and 51.323 of Title 47 of the Code of Federal Regulations.

**Report of Management on Compliance With the FCC's Collocation Rules**  
August 7, 2000

SBC Communications Inc.

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August 7, 2000



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Charles Foster  
Group President